FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON D.C.

20549

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30,1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For the transition period
from____________________________to__________________________

Commission file number 1-812

UNITED TECHNOLOGIES CORPORATION

DELAWARE 06-0570975

One Financial Plaza, Hartford, Connecticut 06101

(860) 728-7000

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months, and (2) has been subject to such filing requirements for the past 90 days. Yes X . No .

At June 30,1999 there were 481,353,843 shares of Common Stock outstanding.

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONTENTS OF QUARTERLY REPORT ON FORM 10-Q

Quarter Ended June 30,1999

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions (except per share amounts)	Quarter Ended June 30, 1999	1998
Revenues:		
Product sales	$ 4,597	$ 4,511
Service sales	1,387	1,337
Financing revenues and other income, net	57	(17)
	6,041	5,831
Costs and expenses:		
Cost of products sold	3,465	3,467
Cost of services sold	882	842
Research and development	306	279
Selling, general and administrative	693	677
Interest	57	45
	5,403	5,310
Income from continuing operations before income taxes and minority interests	638	521
Income taxes	196	163
Minority interests	25	25
Income from continuing operations	417	333
Discontinued operation:		
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provisions of $13 in 1999 and $15 in 1998)	10	27
Gain on sale of UT Automotive subsidiary (net of applicable income tax provision of $112)	650	-
Net income	$ 1,077	$ 360
Earnings per share of Common Stock:*		
Basic:		
Continuing operations	$ .89	$ .71
Discontinued operation	.02	.06
Gain on sale of discontinued operation	1.42	-
Net earnings	$ 2.33	$ .77
Diluted:		
Continuing operations	$ .83	$ .67
Discontinued operation	.02	.05
Gain on sale of discontinued operation	1.30	-
Net earnings	$ 2.15	$ .72
Dividends per share of Common Stock:*	$ .18	$ .18
Average number of shares outstanding:*		
Basic	459	458
Diluted	501	498

See accompanying Notes to Condensed Consolidated Financial Statements

* Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements.

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

In Millions (except per share amounts)	Six Months Ended June 30, 1999	1998
Revenues:		
Product sales	$ 8,577	$ 8,442
Service sales	2,789	2,626
Financing revenues and other income, net	117	71
	11,483	11,139
Costs and expenses:		
Cost of products sold	6,575	6,612
Cost of services sold	1,749	1,658
Research and development	580	556
Selling, general and administrative	1,394	1,338
Interest	112	92
	10,410	10,256
Income from continuing operations before income taxes and minority interests	1,073	883
Income taxes	332	277
Minority interests	46	44
Income from continuing operations	695	562
Discontinued operation:		
Income from operations of discontinued UT Automotive subsidiary (net of applicable income tax provisions of $28 in 1999 and $30 in 1998)	40	58
Gain on sale of UT Automotive subsidiary (net of applicable income tax provision of $112)	650	-
Net income	$ 1,385	$ 620
Earnings per share of Common Stock:*		
Basic:		
Continuing operations	$ 1.49	$ 1.19
Discontinued operation	.09	.13
Gain on sale of discontinued operation	1.43	-
Net earnings	$ 3.01	$ 1.32
Diluted:		
Continuing operations	$ 1.39	$ 1.12
Discontinued operation	.08	.12
Gain on sale of discontinued operation	1.31	-
Net earnings	$ 2.78	$ 1.24
Dividends per share of Common Stock:*	$ .36	$ .335
Average number of shares outstanding:*		
Basic	455	459
Diluted	497	498

See accompanying Notes to Condensed Consolidated Financial Statements

* Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements.

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED BALANCE SHEET

In Millions of Dollars	June 30, 1999 (Unaudited)	December 31, 1998
Assets		
Cash and cash equivalents	$ 885	$ 550
Accounts receivable, net	4,142	3,417
Inventories and contracts in progress, net	3,490	3,191
Future income tax benefits	1,256	1,222
Other current assets	216	161
Net investment in discontinued operation	-	1,287
Total Current Assets	9,989	9,828
Fixed assets	10,097	9,549
Less - accumulated depreciation	(5,952)	(5,994)
	4,145	3,555
Goodwill	4,839	1,417
Other assets	3,054	2,968
Total Assets	$ 22,027	$ 17,768
Liabilities and Shareowners' Equity		
Long-term debt currently due	$ 85	$ 99
Short-term borrowings	314	504
Accounts payable	1,827	1,860
Accrued liabilities	5,472	4,719
Total Current Liabilities	7,698	7,182
Long-term debt	2,110	1,570
Future pension and postretirement benefit obligations	1,919	1,682
Other long-term liabilities	2,532	2,500
Series A ESOP Convertible Preferred Stock	818	836
ESOP deferred compensation	(367)	(380)
	451	456
Shareowners' Equity:		
Common Stock	4,097	2,708
Treasury Stock	(2,638)	(3,117)
Retained earnings	6,553	5,411
Accumulated other non-shareowner changes in equity	(695)	(624)
	7,317	4,378
Total Liabilities and Shareowners' Equity	$ 22,027	$ 17,768

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED TECHNOLOGIES CORPORATION
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

In Millions of Dollars	Six Months Ended June 30, 1999	1998
Operating activities:		
Income from continuing operations	$ 695	$ 562
Adjustments to reconcile income from continuing operations to net cash flows provided by operating activities:		
Depreciation and amortization	380	360
Deferred income tax provision (benefit)	64	(150)
Change in:		
Accounts receivable	(365)	(343)
Inventories and contracts in progress	105	119
Accounts payable and accrued liabilities	96	398
Other current assets	(34)	121
Other, net	62	137
Net cash flows provided by operating activities	1,003	1,204
Investing activities:		
Capital expenditures	(292)	(232)
Acquisitions of business units	(2,069)	(434)
Disposition of business unit	43	-
Increase in customer financing assets, net	(130)	(125)
Other, net	90	25
Net cash flows used in investing activities	(2,358)	(766)
Financing activities:		
Issuance of long-term debt	400	2
Repayment of long-term debt	(199)	(80)
Decrease in short-term borrowings, net	(335)	(6)
Dividends paid on Common Stock	(162)	(154)
Common Stock repurchase	(267)	(277)
Other, net	126	50
Net cash flows used in financing activities	(437)	(465)
Net cash flows provided by discontinued operation	2,159	28
Effect of foreign exchange rate changes on Cash and cash equivalents	(32)	(15)
Net increase (decrease) in Cash and cash equivalents	335	(14)
Cash and cash equivalents, beginning of year	550	655
Cash and cash equivalents, end of period	$ 885	$ 641

Supplemental Disclosure of Cash Flow Information:

Non-cash investing activities:
The Corporation issued $1.9 billion of Treasury Stock in connection with the acquisition of Sundstrand Corporation.

See accompanying Notes to Condensed Consolidated Financial Statements

UNITED TECHNOLOGIES CORPORATION
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The Condensed Consolidated Financial Statements at June 30, 1999 and for the quarters and six-month periods ended June 30,1999 and 1998 are unaudited, but in the opinion of management include all adjustments, consisting only of normal recurring adjustments, necessary for a fair presentation of the results for the interim periods. Certain reclassifications have been made to prior year amounts to conform to the current year presentation.

Total non-shareowner changes in equity includes all changes in equity during a period except those resulting from investments by and distributions to shareowners. The specific components include: net income, deferred gains and losses resulting from foreign currency translation and minimum pension liability adjustments. Total non-shareowner changes in equity were $1,084 million and $1,314 million in the second quarter and six-month period of 1999, compared to $310 million and $573 million in the same periods of 1998. Both periods in 1999 include the gain recognized on the sale of UT Automotive discussed below.

Recent Developments

Disposition of UT Automotive

On May 4, 1999, the Corporation sold its UT Automotive unit to Lear Corporation for $2.3 billion, which resulted in a source of cash of $2.159 billion during the six-month period. An after-tax gain of $650 million was recognized in the second quarter of 1999 along with approximately one month of UT Automotive earnings. UT Automotive net assets appear in the Condensed Consolidated Balance Sheet at December 31, 1998 as a net investment in a discontinued operation and related results as income from operations of the discontinued UT Automotive subsidiary in the Condensed Consolidated Statement of Operations for both periods presented.

Acquisition of Sundstrand Corporation

On June 10, 1999, the Corporation completed the acquisition of Sundstrand Corporation for approximately $4.3 billion, including assumed debt. The assets acquired and results of Sundstrand's operations subsequent to the closing date are included in the Corporation's Condensed Consolidated Financial Statements at June 30, 1999.

Under terms of the merger agreement, each outstanding share of Sundstrand Common Stock was exchanged for $35 in cash and .5580 shares of the Corporation's Common Stock. The merger has been accounted for as a purchase.

In 1998, Sundstrand had $2.0 billion in revenues and $226 million in net income.

The Corporation financed the cash portion of the purchase price with the after-tax cash proceeds from the sale of its UT Automotive unit discussed above and through the issuance of debt discussed below.

Issuance of Long-term Debt

In May 1999, the Corporation issued $400 million of 6.5% unsubordinated, unsecured, nonconvertible notes (the "Notes") under a shelf registration statement filed with the Securities and Exchange Commission in April. The Notes are due June 1, 2009, with interest payable semiannually commencing December 1, 1999. The Corporation may redeem all or any portion of the Notes, at any time, at a formula-based price determined at the time of redemption. Proceeds from this issuance were used for general corporate purposes and to finance a portion of the acquisition of Sundstrand Corporation.

Shelf Registration Statement

In July 1999, the Corporation filed a registration statement with the Securities and Exchange Commission concerning the issuance of up to $400 million in debt securities. The registration statement became effective on July 23, 1999. The total amount of medium-term and long-term debt that could be issued by the Corporation under this and previous registration statements is $1.0 billion. The proceeds from the potential issuance of debt securities will be used for general corporate purposes, which may include acquisitions and repurchases of the Corporation's common stock, and will result in additional interest expense and higher levels of debt to capital in future periods.

Stock Split

On April 30, 1999, the Corporation announced a two-for-one stock split which was paid on May 17, 1999 in the form of a stock dividend to shareowners of record at the close of business on May 7, 1999. All common share and per share information in the Condensed Consolidated Financial Statements reflect the stock split.

Cost Reduction Efforts

During 1998, the Corporation recorded pre-tax charges totaling $320 million related to ongoing efforts to reduce costs of its continuing operations in response to an increasingly competitive business environment. Charges were recorded in each of the Corporation's operating segments with the majority relating to the Pratt & Whitney, Otis and Carrier operations. The amounts were primarily recorded in cost of sales and relate to workforce reductions of approximately 7,500 employees, plant closings and charges associated with asset impairments. Approximately 5,800 employees were terminated as of June 30,1999. The remaining terminations and plant closings are planned to be completed by December of this year.

The following table summarizes the costs associated with these actions.

In Millions of Dollars	Severance and Related Costs	Other Exit Costs	Asset Write-Downs	Total
1998 Charges	$ 266	$ 5	$ 49	$ 320
Utilized through 6/30/99	213	3	49	265
Remaining	$ 53	$ 2	$ -	$ 55

The Corporation expects to record additional cost reduction charges throughout the remainder of 1999 across all operating segments in order to further reduce costs and streamline the operations.

Contingent Liabilities

There has been no significant change in the Corporation's material contingencies during 1999. Summarized below, however, are the matters previously described in Note 14 of the Notes to Consolidated Financial Statements in the Corporation's Annual Report, incorporated by reference in the Corporation's Annual Report on Form 10-K for calendar year 1998, as amended to reflect UT Automotive as a discontinued operation (see the Corporation's Current Report on Form 8-K filed on June 11, 1999).

Environmental

The Corporation's operations are subject to environmental regulation by federal, state and local authorities in the United States and regulatory authorities with jurisdiction over its foreign operations.

Environmental investigatory, remediation, operating and maintenance costs are accrued when it is probable that a liability has been incurred and the amount can be reasonably estimated. The most likely cost to be incurred is accrued based on an evaluation of currently available facts with respect to each individual site, including existing technology, current laws and regulations and prior remediation experience. Where no amount within a range of estimates is more likely, the minimum is accrued. For sites with multiple responsible parties, the Corporation considers its likely proportionate share of the anticipated remediation costs and the ability of the other parties to fulfill their obligations in establishing a provision for those costs. Liabilities with fixed or reliably determinable future cash payments are discounted.

The Corporation maintains property insurance with a number of insurance companies. Litigation is continuing against one of the Corporation's historical property insurers seeking coverage for environmental costs incurred at certain facilities. The litigation is expected to last several years. Environmental liabilities are not reduced by potential insurance reimbursements.

As discussed above, the Corporation has accrued for the costs of environmental remediation activities and periodically reassesses these amounts. Management believes that losses materially in excess of amounts accrued are not reasonably possible.

U.S. Government

The Corporation is now and believes that, in light of the current government contracting environment, it will be the subject of one or more government investigations. If the Corporation or one of its business units were charged with wrongdoing as a result of any of these investigations, the Corporation or one of its business units could be suspended from bidding on or receiving awards of new government contracts pending the completion of legal proceedings. If convicted or found liable, the Corporation could be fined and debarred from new government contracting for a period generally not to exceed three years. Any contracts found to be tainted by fraud could be voided by the Government.

The Corporation's contracts with the U.S. Government are also subject to audits. Like many defense contractors, the Corporation has received audit reports which recommend that certain contract prices should be reduced to comply with various government regulations. Some of these audit reports involve substantial amounts. The Corporation has made voluntary refunds in those cases it believes appropriate.

Other

The Corporation extends performance and operating cost guarantees beyond its normal warranty and service policies for extended periods on some of its products, particularly commercial aircraft engines. Liability under such guarantees is contingent upon future product performance and durability. The Corporation has accrued its estimated liability that may result under these guarantees.

The Corporation also has other commitments and contingent liabilities related to legal proceedings and matters arising out of the normal course of business.

The Corporation has accrued for environmental investigatory, remediation, operating and maintenance costs, performance guarantees and other litigation and claims based on management's estimate of the probable outcome of these matters. While it is possible that the outcome of these matters may differ from the recorded liability, management believes that resolution of these matters will not have a material impact on the Corporation's financial position, results of operations or cash flows.

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Earnings Per Share

In Millions of Dollars (except per share amounts)	Quarter Ended June 30, 1999	Quarter Ended June 30, 1998	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Income from continuing operations	$ 417	$ 333	$ 695	$ 562
Less: ESOP Stock dividends	(8)	(8)	(16)	(16)
Basic earnings from continuing operations	409	325	679	546
ESOP Stock adjustment	7	7	14	13
Diluted earnings from continuing operations	$ 416	$ 332	$ 693	$ 559
Income from discontinued operation, net of tax	$ 10	$ 27	$ 40	$ 58
Gain on sale of discontinued operation, net of tax	650	-	650	-
	$ 660	$ 27	$ 690	$ 58
Net income	$ 1,077	$ 360	$ 1,385	$ 620
Less: ESOP Stock dividends	(8)	(8)	(16)	(16)
Basic earnings	1,069	352	1,369	604
ESOP Stock adjustment	7	7	14	13
Diluted earnings	$ 1,076	$ 359	$ 1,383	$ 617
Average shares:*				
Basic	459	458	455	459
Stock awards	15	13	15	12
ESOP Stock	27	27	27	27
Diluted	501	498	497	498
Earnings per share of Common Stock:*				
Basic:				
Continuing operations	$ .89	$ .71	$ 1.49	$ 1.19
Discontinued operation	.02	.06	.09	.13
Gain on sale of discontinued operation	1.42	-	1.43	-
Net earnings	$ 2.33	$ .77	$ 3.01	$ 1.32
Diluted:				
Continuing operations	$ .83	$ .67	$ 1.39	$ 1.12
Discontinued operation	.02	.05	.08	.12
Gain on sale of discontinued operation	1.30	-	1.31	-
Net earnings	$ 2.15	$ .72	$ 2.78	$ 1.24

*Reflects two-for-one stock split as described in Notes to Condensed Consolidated Financial Statements.

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With respect to the unaudited condensed consolidated financial information of United Technologies Corporation for the quarters and six-month periods ended June 30, 1999 and 1998, PricewaterhouseCoopers LLP ("PricewaterhouseCoopers") reported that they have applied limited procedures in accordance with professional standards for a review of such information. However, their separate report dated July 20, 1999 appearing below, states that they did not audit and they do not express an opinion on that unaudited condensed consolidated financial information. PricewaterhouseCoopers has not carried out any significant or additional audit tests beyond those which would have been necessary if their report had not been included. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied. PricewaterhouseCoopers is not subject to the liability provisions of section 11 of the Securities Act of 1933 ("the Act") for their report on the unaudited condensed consolidated financial information because that report is not a "report" or a "part" of the registration statement prepared or certified by PricewaterhouseCoopers within the meaning of sections 7 and 11 of the Act.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareowners of
United Technologies Corporation

We have reviewed the accompanying condensed consolidated statement of operations of United Technologies Corporation and consolidated subsidiaries for the quarters and six months ended June 30,1999 and 1998, the condensed consolidated statement of cash flows for the six months ended June 30,1999 and 1998, and the condensed consolidated balance sheet as of June 30,1999. This financial information is the responsibility of the company's management.

We conducted our review in accordance with standards established by the American Institute of Certified Public Accountants. A review of interim financial information consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial information for it to be in conformity with generally accepted accounting principles.

We previously audited in accordance with generally accepted auditing standards, the consolidated balance sheet as of December 31, 1998, and the related consolidated statements of operations, of changes in shareowners' equity and of cash flows for the year then ended (not presented herein), and in our report dated January 21, 1999, except for Note 16, which is as of May 20, 1999, we expressed an unqualified opinion on those consolidated financial statements. In our opinion, the information set forth in the accompanying condensed consolidated balance sheet as of December 31, 1998, is fairly stated in all material respects in relation to the consolidated balance sheet from which it has been derived.

PricewaterhouseCoopers LLP
Hartford, Connecticut
July 20, 1999

UNITED TECHNOLOGIES CORPORATION
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MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL POSITION

BUSINESS ENVIRONMENT

The Corporation's operations are classified into four principal operating segments. Carrier and Otis serve customers in the commercial property and residential housing industries. Pratt & Whitney and the Flight Systems segment, which includes Sikorsky Aircraft and Hamilton Sundstrand, serve commercial and government customers in the aerospace industry. As worldwide businesses, the Corporation's operations are affected by global and regional economic factors. However, the diversity of the Corporation's businesses and global market presence has helped limit the impact of any one industry or the economy of any single country on the consolidated results.

The Asian economic crisis has significantly slowed growth in the region since the latter part of 1997. Tightening of credit in Asia has restricted available financing for new construction and slowed the completion of projects currently underway, resulting in less activity compared to pre-crisis years. While recognizing that the Asian economic weakness is continuing, management believes the long-term economic growth prospects of the region remain intact. Therefore, the Corporation's Asian investment strategy continues to focus on the long-term infrastructure requirements of the region.

In early 1999, the Brazilian Real devalued significantly. This devaluation had a destabilizing effect throughout Latin America and increased the likelihood of slower near-term growth in the region.

Worldwide airline profits, traffic growth and load factors have been reliable indicators for new aircraft and after-market orders. U.S. and European airlines are experiencing continued profitability driven primarily by low fuel prices and the effect of cost reduction programs. Airlines in the Asia Pacific and Latin American regions have suffered declines in operating results reflecting weaker local economies. This erosion in earnings has resulted in a decrease in new orders for aerospace products and cancelations or deferrals of existing orders throughout the industry. The impact of the Asian and Latin American economic downturn or a slowdown in the aviation industry, as a whole, will likely result in lower manufacturing volumes in the near term.

The defense portion of the Corporation's aerospace businesses continues to respond to a changing global political environment. The U.S. defense industry continues to downsize and consolidate in response to continued pressure on U.S. and global defense spending. U.S. and global customers continually review and reprioritize research and procurement initiatives.

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RESULTS OF CONTINUING OPERATIONS

Consolidated revenues and margin percentages were as follows:

In Millions of Dollars	Quarter Ended June 30, 1999	Quarter Ended June 30, 1998	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Sales	$ 5,984	$ 5,848	$ 11,366	$ 11,068
Financing revenues and other income, net	57	(17)	117	71
Revenues	$ 6,041	$ 5,831	$ 11,483	$ 11,139
Gross margin %	27.4%	26.3%	26.8%	25.3%

Consolidated revenues increased 4% and 3% in the second quarter and six-month period of 1999 compared to 1998, primarily due to growth at Pratt & Whitney, Carrier and Otis.

Financing revenues and other income, net, increased $74 million and $46 million in the second quarter and six-month period of 1999 compared to 1998. The second quarter 1998 results include the cost of Pratt & Whitney's repurchase of a participant's interest in a commercial engine program. The year-to-date 1998 results also reflect the settlement of a contract dispute with the U.S. Government.

Gross margin as a percentage of sales increased 1.1 percentage points and 1.5 percentage points in the second quarter and six-month period of 1999 compared to the same periods of 1998 due to improvements at all operating segments.

Research and development spending increased $27 million (10%) and $24 million (4%) in the second quarter and six-month period of 1999 compared to 1998. The increases relate principally to Pratt & Whitney's spending on the PW6000 and PW4173 programs. As a percentage of sales, research and development was 5.1% in the second quarter and six-month period of 1999 compared to 4.8% and 5.0% in the second quarter and six-month period of 1998. Research and development spending in 1999 is expected to remain at approximately 5% of sales.

Selling, general and administrative expenses increased $16 million (2%) and $56 million (4%) in the second quarter and six-month period of 1999 compared to 1998 due to increases in most operating segments. As a percent of sales, these expenses increased to 12.3% in the six-month period of 1999 from 12.1% in the same period of 1998, due to increases at Flight Systems and Pratt & Whitney.

The effective income tax rate for the six-month period of 1999 was 30.9% compared to 31.4% for the six-month period of 1998. The Corporation has continued to lower its effective income tax rate by implementing tax reduction strategies.

As described in Notes to Condensed Consolidated Financial Statements, the Corporation sold its UT Automotive unit to Lear Corporation for $2.3 billion and realized an after-tax gain of $650 million.

The Corporation expects to record pre-tax cost reduction charges in the third quarter of this year of approximately $1.0 billion ($650 million after-tax), to further strengthen the competitive position of its businesses. The cost reduction actions will focus on rationalizing the Corporation's manufacturing footprint and under performing product lines and improving the overall level of organizational efficiency.

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Revenues, operating profits and operating profit margins of the Corporation's principal operating segments for the quarters and six-month periods ended June 30,1999 and 1998 are as follows (dollars in millions):

Quarter Ended June 30,	Revenues 1999	Revenues 1998	Operating Profits 1999	Operating Profits 1998	Operating Profit Margin 1999	Operating Profit Margin 1998
Otis	$ 1,379	$ 1,337	$ 161	$ 140	11.7%	10.5%
Carrier	2,029	1,878	234	195	11.5%	10.4%
Pratt & Whitney	1,985	1,974	284	248	14.3%	12.6%
Flight Systems	764	756	81	73	10.6%	9.7%
Total segment	6,157	5,945	760	656	12.3%	11.0%
Eliminations and other	(116)	(114)	(5)	(31)		
General corporate expenses	-	-	(60)	(59)		
Consolidated	$ 6,041	$ 5,831	695	566		
Interest expense			(57)	(45)		
Consolidated income from continuing operations before income taxes and minority interests			$ 638	$ 521		

Six Months Ended June 30,	Revenues 1999	Revenues 1998	Operating Profits 1999	Operating Profits 1998	Operating Profit Margin 1999	Operating Profit Margin 1998
Otis	$ 2,742	$ 2,659	$ 316	$ 238	11.5%	9.0%
Carrier	3,539	3,376	325	213	9.2%	6.3%
Pratt & Whitney	4,004	3,890	564	541	14.1%	13.9%
Flight Systems	1,370	1,432	121	138	8.8%	9.6%
Total segment	11,655	11,357	1,326	1,130	11.4%	9.9%
Eliminations and other	(172)	(218)	(16)	(41)		
General corporate expenses	-	-	(125)	(114)		
Consolidated	$ 11,483	$ 11,139	1,185	975		
Interest expense			(112)	(92)		
Consolidated income from continuing operations before income taxes and minority interests			$ 1,073	$ 883		

Otis revenues increased 3% in the second quarter and six-month period of 1999 compared to 1998. The increase in revenues was mostly due to increases in North America partially offset by declines in the Latin American operations. Excluding the unfavorable impact of foreign currency translation, revenues increased by 5% and 4% in the second quarter and six-month period of 1999 compared to 1998.

Otis operating profits increased $21 million (15%) and $78 million (33%) in the second quarter and six-month period of 1999 compared to 1998, reflecting improvement in all operations except Latin America which continues to face pressure from the Real devaluation and the corresponding economic weakness. The 1998 year-to-date results include charges related to salaried workforce reductions and the consolidation of manufacturing and engineering facilities.

Carrier revenues increased 8% and 5% in the second quarter and six-month period of 1999 compared to 1998. The increase in revenues was due to increases in North America, Refrigeration Operations and Europe and the impact of acquisitions, partly offset by declines in the Latin American and Asia Pacific operations.

Carrier operating profits increased $39 million (20%) and $112 million (53%) in the second quarter and six-month period compared to 1998. The second quarter 1999 increase reflects improvement in North America, Europe and Commercial Refrigeration Operations and the impact of acquisitions. The 1998 year-to-date results include charges related to workforce reductions, plant closures and implementation of a new manufacturing strategy in the rotary chiller business.

Pratt & Whitney revenues increased 1% and 3% in the second quarter and six-month period of 1999 compared to 1998. The 1999 second quarter increase reflects higher overhaul and repair revenues due to the 1998 investment in an overhaul and repair operation in Singapore, offset by lower commercial spare parts sales. The second quarter 1998 results include the cost to repurchase a participant's interest in a commercial engine program. The six-month increase reflects increased commercial and military engine shipments and higher overhaul and repair revenues, offset by lower commercial spare parts sales. In addition, year-to-date revenues in 1998 benefited from the settlement of a contract dispute with the U.S. Government.

Pratt & Whitney operating profits increased $36 million (15%) and $23 million (4%) in the second quarter and six-month period of 1999 compared 1998. The second quarter increase reflects improvement in the commercial engine, Pratt & Whitney Canada and overhaul and repair businesses, partially offset by higher research and development spending and lower commercial spare parts sales discussed above. The second quarter 1998 results include the cost to repurchase a participant's interest in a commercial engine program. In addition, year-to-date 1998 results benefited from the settlement of a contract dispute with the U.S. Government.

Flight Systems revenues increased 1% in the second quarter and decreased 4% in the six-month period of 1999 compared to 1998. The inclusion of Sundstrand's operations, subsequent to the June 10, 1999 closing date, more than offset the effect of lower helicopter deliveries at Sikorsky. The year-to-date comparison reflects increases at Hamilton Sundstrand, which were more than offset by lower revenues at Sikorsky.

Flight Systems operating profits increased $8 million (11%) in the second quarter and decreased $17 million (12%) in the six-month period of 1999 compared to 1998. The second quarter increase reflects improvements at Hamilton Sundstrand and the inclusion of Sundstrand's results, which more than offset declines at Sikorsky due to lower helicopter deliveries. The year-to-date comparison reflects improvements at Hamilton Sundstrand and the inclusion of Sundstrand's results, which were more than offset by declines at Sikorsky.

FINANCIAL POSITION AND LIQUIDITY

Management assesses the Corporation's liquidity in terms of its overall ability to generate cash to fund its operating and investing activities. Significant factors affecting the management of liquidity are cash flows generated from operating activities, capital expenditures, acquisitions, customer financing requirements, Common Stock repurchases, adequate bank lines of credit and financial flexibility to attract long-term capital with satisfactory terms.

Set forth below are selected key cash flow data:

In Millions of Dollars	Six Months Ended June 30, 1999	Six Months Ended June 30, 1998
Operating Activities		
Net cash flows provided by operating activities	$ 1,003	$ 1,204
Investing Activities		
Capital expenditures	(292)	(232)
Acquisitions of business units	(2,069)	(434)
Disposition of business unit	43	-
Increase in customer financing assets, net	(130)	(125)
Financing Activities		
Common Stock repurchase	(267)	(277)
Increase (decrease) in total debt	336	(67)
Decrease in net debt	1	(53)
Net cash flows provided by discontinued operation	2,159	28

Cash flows provided by operating activities were $1,003 million during the first six months of 1999 compared to $1,204 million during the first six months of 1998. The decrease resulted from lower working capital performance partly offset by improved operating performance.

Cash flows used in investing activities were a use of funds of $2,358 million during the first six months of 1999 compared to a use of $766 million in the first six months of 1998. Capital expenditures in the six-month period of 1999 were $292 million, a $60 million increase from the corresponding period of 1998. The Corporation invested $2,069 million in the acquisition of businesses, including the investment in Sundstrand Corporation. Current year proceeds from the disposition of business unit represents Hamilton Sundstrand's sale of a microelectronic controls business. Customer financing activity was a net use of cash of $130 million in the six-month period of 1999, compared to a $125 million net use of cash in 1998. While the Corporation expects 1999 customer financing activity will be a net use of funds, actual funding is subject to usage under existing customer financing commitments during the remainder of the year. The Corporation's total commitments to finance or arrange financing of commercial aircraft and related equipment at June 30,1999 were approximately $1.3 billion.

As described in Notes to Condensed Consolidated Financial Statements, the Corporation filed a registration statement with the Securities and Exchange Commission concerning the issuance of up to $400 million in debt securities. The registration statement became effective on July 23, 1999 bringing the total amount of medium-term and long-term debt that could be issued by the Corporation under this and previous registration statements to $1.0 billion.

Also described in Notes to Condensed Consolidated Financial Statements, in May 1999, the Corporation issued $400 million of unsubordinated, unsecured, nonconvertible notes. The proceeds were used for general corporate purposes and to finance a portion of the acquisition of Sundstrand Corporation.

The Corporation repurchased $267 million of Common Stock, representing 4.1 million shares, in the first six months of 1999 under previously announced share repurchase programs. The share repurchase program continues to be a use of the Corporation's cash flows and has more than offset the dilutive effect resulting from the issuance of stock under stock-based employee benefit programs.

As described in Notes to Condensed Consolidated Financial Statements, on May 4, 1999, the Corporation sold its UT Automotive unit to Lear Corporation. The UT Automotive operation and subsequent sale generated a $2,159 million source of cash in the six-month period.

Other selected financial data are as follows:

In Millions of Dollars	June 30, 1999	December 31, 1998	June 30, 1998
Cash and cash equivalents	$ 885	$ 550	$ 641
Total debt	2,509	2,173	1,500
Net debt (total debt less cash)	1,624	1,623	859
Shareowners' equity	7,317	4,378	4,291
Debt-to-total capitalization	26%	33%	26%
Net debt-to-total capitalization	18%	27%	17%

The Corporation manages its worldwide cash requirements considering available funds among the many subsidiaries through which it conducts its business and the cost effectiveness with which those funds can be accessed. The repatriation of cash balances from certain of the Corporation's subsidiaries could have adverse tax consequences; however, those balances are generally available without legal restrictions to fund ordinary business operations. The Corporation has and will continue to transfer cash from those subsidiaries to the parent and to other international subsidiaries when it is cost effective to do so.

Management believes that its existing cash position and other available sources of liquidity are sufficient to meet current and anticipated requirements for the foreseeable future. Management anticipates the level of debt-to-capital will increase during the remainder of the year in order to satisfy its various cash flow requirements, including acquisition spending and continued share repurchases.

Year 2000

The Corporation has developed a project plan to address the impact of the Year 2000 on its internal systems, products and facilities, as well as its key suppliers and customers. The project has strong executive sponsorship and has been reviewed by an independent third party. The project consists of the following phases: awareness, assessment, remediation, testing and contingency planning.

The Corporation has completed the awareness and assessment phases, with respect to its internal systems, products and facilities. The Corporation is in the process of carrying out the remediation and testing phases, which are expected to be substantially completed by September 1999.

The Corporation has been assessing its Year 2000 risks related to significant relationships with third parties via ongoing communication with its critical suppliers and customers. As part of the process, the Corporation has requested written assurances from these suppliers and customers that they have Year 2000 readiness programs in place, as well as an affirmation that they will be compliant when necessary. Responses to these inquiries are currently being gathered and reviewed. Further analysis, including site visits, is being conducted as necessary. Activities related to third parties are scheduled to be completed by September 1999. Despite these efforts, the Corporation can provide no assurance that supplier and customer Year 2000 compliance plans will be successfully completed in a timely manner.

The Corporation is taking steps to prevent major interruptions in the business due to Year 2000 problems using both internal and external resources to identify and correct problems and to test for readiness. The estimated external costs of the project, including equipment costs and consultant and software licensing fees, are expected to be approximately $125 million. Internal costs, which are primarily payroll related, are expected to be approximately $50 million. These costs are being funded through operating cash flows with amounts that would normally be budgeted for the Corporation's information systems and production and facilities equipment. As of June 30, 1999, total costs for continuing operations of external and internal resources incurred amounted to approximately $110 million and relate primarily to internal systems, products and facilities. Although the Corporation has been working on its Year 2000 readiness efforts for several years, costs incurred prior to 1997 have not been separately tracked and are generally not included in the estimate of total costs.

The schedule for completion and the estimated associated costs are based on management's estimates, which include assumptions of future events. There can be no assurance that the Corporation, its suppliers and customers will be fully Year 2000 compliant by January 1, 2000. The Corporation, therefore, could be adversely impacted by such things as loss of revenue, production delays, product failures, lack of third party readiness and other business interruptions. Accordingly, the Corporation has begun developing contingency plans to address potential issues which include, among other actions, development of backup procedures and identification of alternate suppliers. Contingency planning is expected to be substantially completed by September 1999. The ultimate effects on the Corporation or its suppliers or customers of not being fully Year 2000 compliant are not reasonably estimable. However, the Corporation believes its Year 2000 remediation efforts, together with the diverse nature of its businesses, help reduce the potential impact of non-compliance to levels which will not have a material adverse impact on its financial position, results of operations or cash flows.

CAUTIONARY NOTE CONCERNING FACTORS THAT MAY AFFECT FUTURE RESULTS

This report on Form 10-Q contains statements which, to the extent they are not statements of historical or present fact, constitute "forward-looking statements" under the securities laws. These forward-looking statements are intended to provide Management's current expectations or plans for the future operating and financial performance of the Corporation, based on assumptions currently believed to be valid. Forward-looking statements can be identified by the use of words such as "believe", "expect", "plans", "strategy", "prospects", "estimate", "project", "anticipate" and other words of similar meaning in connection with a discussion of future operating or financial performance. These include, among others, statements relating to:

- the effect of economic downturns or growth in particular regions
- the effect of changes in the level of activity in particular industries or markets
- the anticipated uses of cash
- the scope or nature of acquisition activity
- prospective product developments
- cost reduction efforts
- the outcome of contingencies
- the impact of Year 2000 conversion efforts

From time to time, oral or written forward-looking statements may also be included in other materials released to the public.

All forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from those expressed or implied in the forward-looking statements. For additional information identifying factors that may cause actual results to vary materially from those stated in the forward-looking statements, see the Corporation's reports on forms 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission from time to time. The Corporation's Annual Report on Form 10-K for 1998, as amended to reflect UT Automotive as a discontinued operation (see the Corporation's Current Report on Form 8-K filed on June 11, 1999), includes important information as to risk factors in the "Business" section under the headings "Description of Business by Operating Segment" and "Other Matters Relating to the Corporation's Business as a Whole". Additional important information as to risk factors is included in this report in the section titled "Management's Discussion and Analysis of Results of Operations and Financial Position" under the headings "Business Environment" and "Year 2000".

Item 1 - Legal Proceedings

As previously reported, in June 1992 the Department of Justice filed a civil False Claims Act complaint in the United States District Court for the District of Connecticut, No. 592CV375, against Sikorsky Aircraft alleging that the Government was overcharged by nearly $4 million in connection with the pricing of parts supplied for the reconditioning of the Navy's Sea King helicopter. The complaint sought treble damages plus a $10,000 penalty for each false claim submitted. The bench trial in this matter was concluded in August 1997. On June 3, 1999, the court entered judgment on all counts for Sikorsky. Prior to commencement of this case, Sikorsky conceded liability for certain undisclosed quotes received from a supplier, and the judge awarded the Government approximately $305,000 (including interest) directly associated with this issue. The period within which the Government may file an appeal in this matter has not yet elapsed and the Corporation has been advised that the Government is considering an appeal.

The Corporation does not believe that resolution of the litigation described above will have a material adverse effect upon the Corporation's competitive position, results of operations, cash flow or financial position.

Except as noted above, there have been no material developments in legal proceedings during the quarter ended June 30, 1999. For a description of previously reported legal proceedings, refer to Part I, Item 3 - Legal Proceedings of the Corporation's Annual Report on Form 10-K for calendar year 1998 and Part II, Item 1 - Legal Proceedings of the Corporation's Report on Form 10-Q for the quarter ended March 31, 1999.

Item 2 - Changes in Securities

In connection with the merger on June 10,1999 of Sundstrand Corporation into a wholly owned subsidiary of the Corporation ("the Merger"), the Corporation assumed, effective as of the effective time of the Merger, all covenants, agreements and obligations of Sundstrand Corporation with respect to any securities issued under the Indenture dated as of December 1, 1998 between Sundstrand Corporation and The First National Bank of Chicago ("the Indenture"). This assumption was confirmed by a First Supplemental Indenture dated as of June 9, 1999 among Sundstrand Corporation, the Corporation and The First National Bank of Chicago. Under a Second Supplemental Indenture dated as of June 10, 1999 among Hamilton Sundstrand Corporation, the Corporation and The First National Bank of Chicago, Hamilton Sundstrand Corporation, as the surviving entity in the Merger, confirmed its assumption, as co-obligor with the Corporation, of all covenants, agreements and obligations of Sundstrand Corporation with respect to any securities issued under the Indenture. Approximately $250 million aggregate principal amount of Medium-Term Notes due from nine months to 30 years from date of issuance is outstanding under the Indenture. Copies of the instruments defining the rights of holders of these securities are available upon request addressed to the Secretary of the Corporation.

Item 4 - Submission of Matters to a Vote of Security Holders

(a) The Corporation held its Annual Meeting of Shareowners on April 30, 1999.

(b) The following individuals were nominated and elected to serve as directors:

Antonia H. Chayes, George David, Jean-Pierre Garnier, Pehr G. Gyllenhammar, Karl J. Krapek, Charles R. Lee, Richard D. McCormick, William J. Perry, Frank P. Popoff, Andre Villeneuve, and Harold A. Wagner.

(c) The Shareowners voted as follows on the following matters:

1. Election of directors. The voting result for each nominee is as follows:

NAME	VOTES FOR	VOTES WITHHELD
Antonia Handler Chayes	226,765,769	954,239
George David	226,822,878	897,130
Jean-Pierre Garnier	226,875,081	844,927
Pehr G. Gyllenhammar	226,818,926	901,082
Karl J. Krapek	226,745,774	974,234
Charles R. Lee	226,894,191	825,817
Richard D. McCormick	226,910,848	809,160
William J. Perry	226,824,181	895,827
Frank P. Popoff	226,873,916	846,092
Andre Villeneuve	226,884,055	835,953
Harold A. Wagner	226,889,469	830,539

2. The reappointment of the Corporation's independent public accountants was approved by a count of 227,014,640 votes for, 297,079 votes against, and 408,289 votes abstaining.

3. A shareowner proposal recommending that the Corporation adopt term limits for future outside directors was rejected by a count of 5,129,604 votes for and 192,398,234 votes against, with 9,469,383 votes abstaining and 20,722,787 broker non-votes.

4. A shareowner proposal recommending that the Board of Directors conduct a study and adopt criteria for the bidding, acceptance and implementation of military contracts was rejected by a count of 6,538,416 votes for and 183,315,714 votes against, with 17,143,091 votes abstaining and 20,722,787 broker non-votes.

5. A shareowner proposal recommending that the Board of Directors make all possible lawful efforts to implement and/or increase activity on each of the nine MacBride Principles concerning employment practices in Northern Ireland was rejected by a count of 16,639,871 votes for and 167,003,479 votes against, with 23,353,871 votes abstaining and 20,722,787 broker non-votes.

Item 6 - Exhibits and Reports on Form 8-K

(a) Exhibits:

(10.1) Incentive compensation letter agreement dated December 21, 1998 and signed April 1, 1999 between the Corporation and C. Scott Greer, President of UT Automotive.*
(12) Statement re: computation of ratio of earnings to fixed charges.*
(15) Letter re: unaudited interim financial information.*
(27) Financial data schedule.*
(27.1) Restated financial data schedule.*
(27.2) Restated financial data schedule.*
(27.3) Restated financial data schedule.*

*Submitted electronically herewith.

(b) Reports on Form 8-K

A Report on Form 8-K dated April 14, 1999 was filed with the Commission on April 14, 1999. The Report includes information under Item 5 concerning the Agreement between a wholly owned subsidiary of the Corporation and Lear Corporation with respect to the disposition of UT Automotive to Lear Corporation and the agreement between the Corporation and Sundstrand Corporation with respect to the merger of Sundstrand Corporation into a wholly owned subsidiary of the Corporation. The Report also includes under Item 7 unaudited pro forma condensed financial statements of the Corporation related to the merger and the disposition, which were superseded by the unaudited pro forma condensed financial statements of the Corporation included in the Report on Form 8-K filed with the Commission on June 18, 1999, as discussed below.

A Report on Form 8-K dated April 30, 1999 was filed with the Commission on May 4, 1999. The Report includes information under Item 5 concerning the two-for-one split of the Corporation's common stock paid on May 17, 1999 to shareholders of record on May 7, 1999.

A Report on Form 8-K dated June 10, 1999 was filed with the Commission on June 18, 1999. The Report includes information under Item 2 concerning the consummation of the merger of Sundstrand Corporation into a wholly owned subsidiary of the Corporation. The Report also includes under Item 7 unaudited pro forma condensed financial statements related to the merger and to the disposition of UT Automotive, financial statements of Sundstrand Corporation for the fiscal year ended December 31, 1998 and unaudited consolidated condensed financial statements of Sundstrand Corporation for the quarter ended March 31, 1999.

A Report on Form 8-K dated June 11, 1999 was filed with the Commission on June 11, 1999. The Report includes under Item 7 financial statements for the Corporation for the three years in the period ended December 31, 1998 which have been restated to reflect the UT Automotive unit as a discontinued operation. UT Automotive was sold to Lear Corporation on May 4, 1999.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

UNITED TECHNOLOGIES CORPORATION

Dated: July 29, 1999	By: /s/ David J. FitzPatrick David J. FitzPatrick Senior Vice President and Chief Financial Officer
Dated: July 29, 1999	By: /s/ Jay L. Haberland Jay L. Haberland Vice President and Controller
Dated: July 29, 1999	By: /s/ William H. Trachsel William H. Trachsel Senior Vice President, General Counsel and Secretary

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

EXHIBIT INDEX

Exhibit 10.1-	Incentive compensation letter agreement dated December 21, 1998 and signed April 1, 1999 between the Corporation and C. Scott Greer, President of UT Automotive.*
Exhibit 12-	Statement re: computation of ratio of earnings to fixed charges.*
Exhibit 15-	Letter re: unaudited interim financial information.*
Exhibit 27-	Financial data schedule.*
Exhibit 27.1-	Restated financial data schedule.*
Exhibit 27.2-	Restated financial data schedule.*
Exhibit 27.3-	Restated financial data schedule.*

*Submitted electronically herewith.

Exhibit 10.1

December 21, 1998

C. Scott Greer
160 Chesterfield Road
Bloomfield Hills, MI 48304

Re: Special Incentive Arrangement

Dear Scott:

As you know, over the next several months, we will be exploring the potential sale of UTA, either in its entirety or in segments. Your support will be critical to the success of this divestiture initiative. In addition, marketing UTA without disruption to the ongoing, successful operation of the business presents special challenges for you. In recognition of the additional responsibilities you will assume in connection with UTC's efforts to divest UTA, UTC is prepared to offer you certain special financial incentives in consideration of certain commitments from you. The incentives consist of a special award of restricted stock and a special cash payment, to be described in full detail below. Your commitments to UTC pertain to: (i) your efforts and conduct in support of the marketing of the business; (ii) your ability to maintain UTA's successful financial and operational performance throughout the entire marketing phase, regardless of ultimate outcome; and (iii) in the event of a divestiture, achieving a transaction that provides UTC with sufficient value for the sale of UTA.

Incentives

If you agree to the terms and conditions set forth in this letter, UTC will award you 10,000 shares of restricted stock. These shares will be subject to a vesting period of three years. If, however, the business is sold prior to that date, the vesting will be accelerated to the date that is six months following the closing date, if the transaction is deemed to be "successful" from UTC's perspective. The criteria for a successful transaction are described below. In the event that the business is sold in segments, your vesting will occur six months following the completion of the sale of the last business segment. If the purchaser of the business terminates your employment prior to the expiration of the six month period, vesting will be accelerated to the termination date. Otherwise, you are required to remain with the business for the six month period following the closing. Prior to vesting, you will receive dividends and all other rights of share ownership, except that you will not be able to sell, pledge, or assign any interest in the shares. If your employment with UTA is terminated for any reason (other than death or disability) prior to the complete divestiture of UTA or the end of the three-year vesting period, the shares will be forfeited without value.

In addition to the restricted stock award, UTC will make a special incentive payment to you in an amount up to $2,000,000, subject to certain conditions, payable six months after the closing date of the sale of UTA (or the last segment thereof) (the "Special Incentive Payment"). The actual amount of such payment will be based upon the degree to which the divestiture constitutes a "successful" sale, as determined by UTC in its sole discretion, and the degree to which certain other performance criteria have been met. The criteria for a successful divestiture and the other performance criteria are described below. Outstanding overall performance will result in full payment.

Terms and Conditions

For purposes of this Agreement, a "successful" sale will be determined on the basis of several financial and subjective factors. Exact dollar thresholds, formulas or percentage weightings for different factors will not be utilized. However, as UTC evaluates the sale of UTA with its outside advisors, you will be kept informed of targets, objectives and ranges of acceptable outcomes as they are developed. The factors that will determine a successful divestiture from UTC's perspective include, without limitation, the ultimate purchase price net of any retained liabilities, the structure of the transaction (and its tax impacts), the allocation of tax, environmental and other liabilities and contingencies between buyer and seller, the timing to completion, post closing risks retained by UTC, and such other factors as may be determined during the sale process. All of these factors are relevant to determining if the transaction, on a net basis, provides adequate value to UTC relative to the long term value of UTA. UTC will evaluate these factors in its sole discretion to determine to what extent the overall transaction may be deemed to be "successful".

In addition to achieving a successful divestiture, accelerated vesting of your restricted shares and eligibility for the Special Incentive Payment are both also subject to you (i) maintaining certain individual performance standards during the marketing phase of the business; and, (ii) maintaining UTA's performance during this period of time to avoid deterioration of financial and operating performance.

During the marketing phase, you will be expected to represent and further the best interests of UTC at all times. You will be expected to represent the business in its best light in a consistent manner to all prospective purchasers, regardless of your opinion as to the quality or desirability of any prospective purchaser. In addition, it will be imperative that you not engage in any independent efforts relative to marketing UTA. All potential purchasers and any other related inquiries or contacts and other information relevant to the marketing effort must be directed to the office of UTC's Vice President for Strategic Planning. During this period of time, you will also be expected to maintain absolute confidentiality with respect to UTC's efforts and the status of the divestiture efforts. You must refrain from any conduct that in any way conflicts with the best interests of UTC in this transaction. Failure to observe completely the provisions of this paragraph may result in forfeiture of your shares and your rights to the special incentive payment.

Maintaining the successful operation of UTA amid the distraction of a potential sale of the business presents special challenges. Nonetheless, it is critical to UTC that UTA's achievements and momentum in several key areas not be sacrificed as a result of UTC's decision to market the company for potential divestiture. We expect that all financial and operating plans and objectives will be met during this period. Manufacturing quality, productivity, customer relationships, employee retention, engineering and marketing initiatives and other key facets of the business must also not be compromised in any way.

It is critical that overall business performance and the value of the business be maintained, regardless of the outcome of divestiture efforts. If UTC, in its sole discretion, determines that the quality of the business, either financially or operationally, materially deteriorates during the divestiture

process, the restricted share awards and your rights to the Special Incentive Payment will be forfeited.

The restricted share award and the Special Incentive Payment are subject to approval by the Compensation and Executive Development Committee of UTC's Board. The benefits provided under this Agreement are separate and independent from your eligibility for the Executive Leadership Group (the "ELG") separation benefit which will be payable to you subject to the terms of the ELG program, without reduction or offset for amounts provided herein.

Notwithstanding your participation in this arrangement, UTC reserves the right to terminate your employment for cause, in which case your rights to the restricted stock and the Special Incentive Payment will be forfeited. Examples of a termination "for cause" include failure to perform your responsibilities, ethical or legal violations or breach of this Agreement.

In consideration of the benefits provided under this Agreement, you also agree that you will not voluntarily terminate your employment for any reason (other than death or permanent disability) during the period of this Agreement (i.e. the earlier of 6 months following complete divestiture or December 31, 2001). In the event of death or permanent long term disability (as defined in UTA's Long Term Disability Plan), vesting in the restricted stock award will be accelerated and the Special Incentive Payment will be cancelled. Resignation or termination for any other reason will result in forfeiture of the restricted shares and the Special Incentive Payment.

We believe that with your efforts, we can achieve a successful divestiture of UTA while maintaining the financial value and operational integrity of the business. Please acknowledge your acceptance by signing and returning one original copy of this letter to my office. If you have any questions, please feel to call me at 860-728-7655.

Very truly yours,

/s/William L. Bucknall, Jr.

William L. Bucknall, Jr.

Acknowledged and Accepted:

/s/ C. Scott Greer	April 1,1999
C. Scott Greer	Date

Exhibit 12

UNITED TECHNOLOGIES CORPORATION
AND SUBSIDIARIES

STATEMENT RE COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Six Months Ended June 30,	
In Millions of Dollars	1999	1998
Fixed Charges:		
Interest expense	$ 112	$ 92
Interest capitalized	7	6
One-third of rents*	37	37
Total Fixed Charges	$ 156	$ 135
Earnings:		
Income from continuing operations before income taxes and minority interests	$ 1,073	$ 883
Fixed charges per above	156	135
Less: interest capitalized	(7)	(6)
	149	129
Amortization of interest capitalized	13	15
Total Earnings	$ 1,235	$ 1,027
Ratio of Earnings to Fixed Charges	7.92	7.61

* Reasonable approximation of the interest factor.

Exhibit 15

July 29, 1999

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, DC 20549

Ladies and Gentlemen:

We are aware that United Technologies Corporation has included our report dated July 20, 1999 (issued pursuant to the provisions of Statement on Auditing Standards No. 71) in the Prospectus constituting part of its Registration Statements on Form S-3 (Nos. 333-26331, 33-46916 and 333-74195), in the Registration Statement on Form S-4 (No. 333-77991) and in the Registration Statements on Form S-8 (Nos. 333-21853, 333-18743, 333-21851, 33-57769, 33-45440, 33-11255, 33-26580, 33-26627, 33-28974, 33-51385, 33-58937, 2-87322, 333-77817, 333-77991 and 333-82911). We are also aware of our responsibilities under the Securities Act of 1933.

Yours very truly,

/s/ PricewaterhouseCoopers LLP
PricewaterhouseCoopers LLP

This schedule contains summary financial information extracted from the Condensed Consolidated Balance Sheet at June 30,1999 (Unaudited) and the Condensed Consolidated Statement of Operations for the six months ended June 30, 1999 (Unaudited) and is qualified in its entirety by reference to such financial statements.

1,000,000

6-MOS
DEC-31-1999
JAN-01-1999
JUN-30-1999
885
0
4,462
320
3,490
9,989
10,097
5,952
22,027
7,698
2,110
451
0
4,097
3,220
22,027
8,577
11,483
6,575
8,324
580
0
112
1,073
332
695
650
0
0
1,385
3.01
2.78

The [EPS-PRIMARY] amount represents BASIC earnings per share and the [EPS-DILUTED] amount represents DILUTED earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share.

5

This schedule contains restated financial information extracted from the consolidated Balance Sheet at December 31, 1998 and the Consolidated Statement of Operations for the year ended December 31, 1998 and is qualfied in its entirety by reference to such financial statements. Referenced as Exhibit 27.1 in 10-Q.

1,000,000

YEAR
DEC-31-1998
JAN-01-1998
DEC-31-1998
550
0
3,733
316
3,191
9,828
9,549
5,994
17,768
7,182
1,570
456
0
2,708
1,670
17,768
17,348
22,809
13,436
16,897
1,168
0
197
1,810
568
1,157
98
0
0
1,255
2.68
2.53

The [EPS-PRIMARY} amount represents BASIC earnings per share and the [EPS-DILUTED] amount represents DILUTED earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share.

This schedule contains restated financial information extracted from the Condensed Consolidated Balance Sheet and the Condensed Consolidated Statement of Operations for the periods indicated below, and is qualified in its entirety by reference to such financial statements. Referenced as Exhibit 27.2 in 10-Q.

1,000,000

9-MOS	6-MOS	3-MOS	YEAR
DEC-31-1998	DEC-31-1998	DEC-31-1999	DEC-31-1997
JAN-01-1998	JAN-01-1998	JAN-01-1998	JAN-01-1997
SEP-30-1998	JUN-30-1998	MAR-31-1998	DEC-31-1997
558	641	619	655
0	0	0	0
4,029	3,941	3,812	3,517
341	334	316	302
2,901	2,880	3,075	2,934
9,959	9,787	9,761	9,415
9,387	9,176	9,121	9,257
6,004	5,835	5,771	5,766
17,279	16,444	16,329	15,697
7,329	6,930	6,948	6,563
1,600	1,216	1,249	1,268
455	452	452	450
0	0	0	0
2,647	2,604	2,569	2,488
1,730	1,687	1,667	1,585
17,279	16,444	16,329	15,697
12,802	8,442	3,931	15,946
16,822	11,139	5,308	21,288
9,973	6,612	3,145	12,638
12,472	8,270	3,961	15,846
844	556	277	1,069
0	0	0	0
140	92	47	188
1,389	883	362	1,574
436	277	114	514
888	562	229	962
80	58	31	110
0	0	0	0
0	0	0	0
968	620	260	1,072
.75	.77	.55	2.22
.70	.72	.52	2.10

The [EPS-PRIMARY] amount represents BASIC earnings per share and the [EPS-DILUTED] amount represents DILUTED earnings per share in accordance with Staement of Financial Accounting Standards No. 128, Earnings Per Share.

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This schedule contains restated financial information extracted from the Condensed Consolidated Balance Sheet and the Condensed Statement of Operations for the periods indicated below, and is qualified in its entirety by reference to such financial statements. Referenced as Exhibit 27.3 in 10-Q.

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9-MOS	6-MOS	3-MOS	YEAR
DEC-31-1997	DEC-31-1997	DEC-31-1997	DEC-31-1996
JAN-01-1997	JAN-01-1997	JAN-01-1997	JAN-01-1996
SEP-30-1997	JUN-30-1997	MAR-31-1997	DEC-31-1996
1,164	1,283	1,158	998
0	0	0	0
3,535	3,568	3,196	3,435
319	310	301	307
3,099	3,062	3,257	3,038
10,014	10,082	9,741	9,573
9,369	9,302	9,236	9,310
5,913	5,828	5,733	5,697
15,882	15,897	15,536	15,566
6,570	6,656	6,488	6,373
1,356	1,374	1,374	1,412
444	441	439	434
0	0	0	0
2,461	2,432	2,383	2,345
1,837	1,901	1,856	1,961
15,882	15,897	15,536	15,566
11,962	8,035	3,811	14,713
15,874	10,649	5,090	19,872
9,495	6,386	3,059	11,653
11,824	7,956	3,829	14,741
768	527	243	1,014
0	0	0	0
140	92	45	213
1,236	797	340	1,317
403	260	111	430
762	488	204	788
66	40	20	118
0	0	0	0
0	0	0	0
828	528	224	906
.62	.63	.45	1.81
.58	.59	.43	1.74

The [EPS-PRIMARY] amount represents BASIC earnings per share and the [EPS-DILUTED] amount represents DILUTED earnings per share in accordance with Statement of Financial Accounting Standards No. 128, Earnings Per Share.